

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

P.O. Box 13528 • AUSTIN, TX 78711-3528



November 3, 2015

Maxie Morgan  
Superintendent  
Calvert Independent School District  
P.O. Box 7  
Calvert, Texas 77837

Dear Superintendent Morgan:

On August 5, 2015, the Comptroller issued written notice that NGC Industries LLC (NGC) (the applicant) submitted a completed application (Application #1075) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted on June 16, 2015, to the Calvert Independent School District (the school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

**Determination required by 313.025(h)**

- |                   |   |
|-------------------|---|
| Sec. 313.024(a)   | Applicant is subject to tax imposed by Chapter 171.   |
| Sec. 313.024(b)   | Applicant is proposing to use the property for an eligible project.   |
| Sec. 313.024(d)   | Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located. |
| Sec. 313.024(d-2) | Not applicable to Application #1094.  |

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

**Certificate decision required by 313.025(d)**

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem

<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

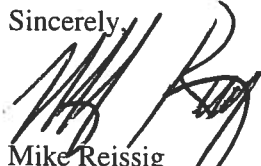
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of August 5, 2015, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Korry Castillo, director of Data Analysis and Transparency, by email at [Korry.Castillo@cpa.texas.gov](mailto:Korry.Castillo@cpa.texas.gov) or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig  
Deputy Comptroller

Enclosure

cc: Korry Castillo

### Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller’s economic impact analysis of NGC Industries, LLC (NGC) (the project) applying Calvert Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

**Table 1** is a summary of investment, employment and tax impact of NGC.

Applicant	NGC Industries, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Calvert ISD
2013-14 Enrollment in School District	164
County	Robertson
Proposed Total Investment in District	\$169,539,450
Proposed Qualified Investment	\$169,539,450
Limitation Amount	\$20,000,000
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	35
Average weekly wage of qualifying jobs committed to by applicant	\$759.62
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$756.67
Minimum annual wage committed to by applicant for qualified jobs	\$39,500
Minimum weekly wage required for non-qualifying jobs	858.25
Minimum annual wage required for non-qualifying jobs	44,629
Investment per Qualifying Job	\$16,953,945
Estimated M&O levy without any limit (15 years)	\$19,526,401
Estimated M&O levy with Limitation (15 years)	\$5,867,211
Estimated gross M&O tax benefit (15 years)	\$13,659,190

**Table 2** is the estimated statewide economic impact of NGC Industries, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	235	254	489	\$15,275,000	\$17,683,984	\$32,958,984
2017	242	269	511	\$15,679,000	\$21,674,516	\$37,353,516
2018	10	31	41	\$395,000	\$6,074,727	\$6,469,727
2019	10	13	23	\$395,000	\$3,755,391	\$4,150,391
2020	10	2	12	\$395,000	\$2,534,688	\$2,929,688
2021	10	(2)	8	\$395,000	\$1,558,125	\$1,953,125
2022	10	(2)	8	\$395,000	\$1,436,055	\$1,831,055
2023	10	2	12	\$395,000	\$1,191,914	\$1,586,914
2024	10	(0)	10	\$395,000	\$947,773	\$1,342,773
2025	10	6	16	\$395,000	\$825,703	\$1,220,703
2026	10	6	16	\$395,000	\$947,773	\$1,342,773
2027	10	8	18	\$395,000	\$1,069,844	\$1,464,844
2028	10	2	12	\$395,000	\$581,563	\$976,563
2029	10	(0)	10	\$395,000	\$581,563	\$976,563
2030	10	(0)	10	\$395,000	\$337,422	\$732,422
2031	10	(4)	6	\$395,000	\$93,281	\$488,281
2032	10	(2)	8	\$395,000	-\$150,859	\$244,141

Source: CPA, REMI, NGC Industries, LLC

**Table 3** examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		CALVERT ISD I&S Levy	CALVERT ISD M&O Levy	CALVERT ISD M&O and I&S Tax Levies	Robertson County	Robertson County ESD	City of Calvert (per application 0.2% of Project in City 0.4954 rate * 0.2%)	Estimated Total Property Taxes
			Tax Rate <sup>1</sup>	0.0000	1.1700		0.43773	0.07236	0.0009908	
2016	\$924,677	\$924,677		\$0	\$10,819	\$10,819	\$4,048	\$669	\$9	\$15,545
2017	\$31,225,778	\$31,225,778		\$0	\$365,342	\$365,342	\$136,685	\$22,595	\$309	\$524,931
2018	\$169,264,127	\$169,264,127		\$0	\$1,980,390	\$1,980,390	\$740,920	\$122,480	\$1,677	\$2,845,467
2019	\$162,037,705	\$162,037,705		\$0	\$1,895,841	\$1,895,841	\$709,288	\$117,250	\$1,605	\$2,723,985
2020	\$154,811,282	\$154,811,282		\$0	\$1,811,292	\$1,811,292	\$677,655	\$112,021	\$1,534	\$2,602,503
2021	\$147,584,860	\$147,584,860		\$0	\$1,726,743	\$1,726,743	\$646,023	\$106,792	\$1,462	\$2,481,021
2022	\$140,358,437	\$140,358,437		\$0	\$1,642,194	\$1,642,194	\$614,391	\$101,563	\$1,391	\$2,359,539
2023	\$133,132,015	\$133,132,015		\$0	\$1,557,645	\$1,557,645	\$582,759	\$96,334	\$1,319	\$2,238,057
2024	\$125,905,592	\$125,905,592		\$0	\$1,473,095	\$1,473,095	\$551,127	\$91,105	\$1,247	\$2,116,575
2025	\$118,679,170	\$118,679,170		\$0	\$1,388,546	\$1,388,546	\$519,494	\$85,876	\$1,176	\$1,995,093
2026	\$111,452,747	\$111,452,747		\$0	\$1,303,997	\$1,303,997	\$487,862	\$80,647	\$1,104	\$1,873,611
2027	\$104,226,325	\$104,226,325		\$0	\$1,219,448	\$1,219,448	\$456,230	\$75,418	\$1,033	\$1,752,129
2028	\$96,999,902	\$96,999,902		\$0	\$1,134,899	\$1,134,899	\$424,598	\$70,189	\$961	\$1,630,647
2029	\$89,773,480	\$89,773,480		\$0	\$1,050,350	\$1,050,350	\$392,965	\$64,960	\$889	\$1,509,165
2030	\$82,547,057	\$82,547,057		\$0	\$965,801	\$965,801	\$361,333	\$59,731	\$818	\$1,387,683
2031	\$75,320,635	\$75,320,635		\$0	\$881,251	\$881,251	\$329,701	\$54,502	\$746	\$1,266,201
2032	\$68,094,212	\$68,094,212		\$0	\$796,702	\$796,702	\$298,069	\$49,273	\$675	\$1,144,719
			Total	\$0	\$21,204,355	\$21,204,355	\$7,933,147	\$1,311,408	\$17,957	\$30,466,866

Source: CPA, NGC Industries, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district, Robertson County, City of Calvert and the Robertson County ESD, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county, and hospital district.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	0	CALVERT ISD I&S Levy	CALVERT ISD M&O Levy	CALVERT ISD M&O and I&S Tax Levies	Robertson County (as of application, tax incentive is pending)	Robertson County ESD	City of Calvert (per application 0.2% of Project in City 0.4954 rate * 0.2%)	Estimated Total Property Taxes
			Tax Rate <sup>1</sup>	0.0000	1.1700		0.43773	0.07236	0.0009908	
2016	\$924,677	\$924,677		\$0	\$10,819	\$10,819	\$4,048	\$669	\$9	\$15,545
2017	\$31,225,778	\$31,225,778		\$0	\$365,342	\$365,342	\$136,685	\$22,595	\$309	\$524,931
2018	\$169,264,127	\$20,000,000		\$0	\$234,000	\$234,000	\$740,920	\$122,480	\$1,677	\$1,099,076
2019	\$162,037,705	\$20,000,000		\$0	\$234,000	\$234,000	\$709,288	\$117,250	\$1,605	\$1,062,144
2020	\$154,811,282	\$20,000,000		\$0	\$234,000	\$234,000	\$677,655	\$112,021	\$1,534	\$1,025,211
2021	\$147,584,860	\$20,000,000		\$0	\$234,000	\$234,000	\$646,023	\$106,792	\$1,462	\$988,278
2022	\$140,358,437	\$20,000,000		\$0	\$234,000	\$234,000	\$614,391	\$101,563	\$1,391	\$951,345
2023	\$133,132,015	\$20,000,000		\$0	\$234,000	\$234,000	\$582,759	\$96,334	\$1,319	\$914,412
2024	\$125,905,592	\$20,000,000		\$0	\$234,000	\$234,000	\$551,127	\$91,105	\$1,247	\$877,479
2025	\$118,679,170	\$20,000,000		\$0	\$234,000	\$234,000	\$519,494	\$85,876	\$1,176	\$840,546
2026	\$111,452,747	\$20,000,000		\$0	\$234,000	\$234,000	\$487,862	\$80,647	\$1,104	\$803,614
2027	\$104,226,325	\$20,000,000		\$0	\$234,000	\$234,000	\$456,230	\$75,418	\$1,033	\$766,681
2028	\$96,999,902	\$96,999,902		\$0	\$1,134,899	\$1,134,899	\$424,598	\$70,189	\$961	\$1,630,647
2029	\$89,773,480	\$89,773,480		\$0	\$1,050,350	\$1,050,350	\$392,965	\$64,960	\$889	\$1,509,165
2030	\$82,547,057	\$82,547,057		\$0	\$965,801	\$965,801	\$361,333	\$59,731	\$818	\$1,387,683
2031	\$75,320,635	\$75,320,635		\$0	\$881,251	\$881,251	\$329,701	\$54,502	\$746	\$1,266,201
2032	\$68,094,212	\$68,094,212		\$0	\$796,702	\$796,702	\$298,069	\$49,273	\$675	\$1,144,719
			<b>Total</b>	<b>\$0</b>	<b>\$ 7,545,164</b>	<b>\$ 7,545,163</b>	<b>\$ 7,933,147</b>	<b>\$ 1,311,408</b>	<b>\$ 17,957</b>	<b>\$ 16,807,675</b>
			<b>Difference</b>	<b>\$ -</b>	<b>\$ 13,659,190</b>	<b>\$13,659,191</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,659,191</b>

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, NGC Industries, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## Attachment B – Tax Revenue over 25 Years

This represents the Comptroller's determination that NGC Industries (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2015	\$0	\$0	\$0	\$0
	2016	\$10,819	\$10,819	\$0	\$0
	2017	\$365,342	\$376,160	\$0	\$0
<b>Limitation Period (10 Years)</b>	2018	\$234,000	\$610,160	\$1,746,390	\$1,746,390
	2019	\$234,000	\$844,160	\$1,661,841	\$3,408,231
	2020	\$234,000	\$1,078,160	\$1,577,292	\$4,985,523
	2021	\$234,000	\$1,312,160	\$1,492,743	\$6,478,266
	2022	\$234,000	\$1,546,160	\$1,408,194	\$7,886,460
	2023	\$234,000	\$1,780,160	\$1,323,645	\$9,210,105
	2024	\$234,000	\$2,014,160	\$1,239,095	\$10,449,200
	2025	\$234,000	\$2,248,160	\$1,154,546	\$11,603,746
	2026	\$234,000	\$2,482,160	\$1,069,997	\$12,673,743
	2027	\$234,000	\$2,716,160	\$985,448	\$13,659,191
<b>Maintain Viable Presence (5 Years)</b>	2028	\$1,134,899	\$3,851,059	\$0	\$13,659,191
	2029	\$1,050,350	\$4,901,409	\$0	\$13,659,191
	2030	\$965,801	\$5,867,209	\$0	\$13,659,191
	2031	\$881,251	\$6,748,461	\$0	\$13,659,191
	2032	\$796,702	\$7,545,163	\$0	\$13,659,191
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2033	\$712,153	\$8,257,316	\$0	\$13,659,191
	2034	\$627,604	\$8,884,920	\$0	\$13,659,191
	2035	\$606,710	\$9,491,630	\$0	\$13,659,191
	2036	\$585,816	\$10,077,446	\$0	\$13,659,191
	2037	\$564,922	\$10,642,367	\$0	\$13,659,191
	2038	\$544,027	\$11,186,395	\$0	\$13,659,191
	2039	\$523,133	\$11,709,528	\$0	\$13,659,191
	2040	\$502,239	\$12,211,767	\$0	\$13,659,191
	2041	\$481,345	\$12,693,112	\$0	\$13,659,191
	2042	\$460,451	\$13,153,563	\$0	\$13,659,191

**\$13,153,563**

is less than

**\$13,659,191**

### Analysis Summary

Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, NGC Industries

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2016	235	254	489	\$15,275,000	\$17,683,984	\$32,958,984	1754761	-862122	\$2,616,883
2017	242	269	511	\$15,679,000	\$21,674,516	\$37,353,516	1899719	-541687	\$2,441,406
2018	10	31	41	\$395,000	\$6,074,727	\$6,469,727	328064	633240	-\$305,176
2019	10	13	23	\$395,000	\$3,755,391	\$4,150,391	259399	610352	-\$350,953
2020	10	2	12	\$395,000	\$2,534,688	\$2,929,688	190735	572205	-\$381,470
2021	10	(2)	8	\$395,000	\$1,558,125	\$1,953,125	152588	495911	-\$343,323
2022	10	(2)	8	\$395,000	\$1,436,055	\$1,831,055	167847	419617	-\$251,770
2023	10	2	12	\$395,000	\$1,191,914	\$1,586,914	160217	373840	-\$213,623
2024	10	(0)	10	\$395,000	\$947,773	\$1,342,773	160217	328064	-\$167,847
2025	10	6	16	\$395,000	\$825,703	\$1,220,703	152588	267029	-\$114,441
2026	10	6	16	\$395,000	\$947,773	\$1,342,773	152588	236511	-\$83,923
2027	10	8	18	\$395,000	\$1,069,844	\$1,464,844	99182	152588	-\$53,406
2028	10	2	12	\$395,000	\$581,563	\$976,563	68665	137329	-\$68,664
2029	10	(0)	10	\$395,000	\$581,563	\$976,563	45776	91553	-\$45,777
2030	10	(0)	10	\$395,000	\$337,422	\$732,422	0	45776	-\$45,776
2031	10	(4)	6	\$395,000	\$93,281	\$488,281	-53406	-15259	-\$38,147
2032	10	(2)	8	\$395,000	-\$150,859	\$244,141	-68665	-61035	-\$7,630
2033	10	(4)	6	\$395,000	\$93,281	\$488,281	-83923	-114441	\$30,518
2034	10	(6)	4	\$395,000	-\$150,859	\$244,141	-129700	-144958	\$15,258
2035	10	(10)	0	\$395,000	-\$1,127,422	-\$732,422	-213623	-213623	\$0
2036	10	(10)	0	\$395,000	-\$883,281	-\$488,281	-244141	-274658	\$30,517
2037	10	(14)	-4	\$395,000	-\$1,371,563	-\$976,563	-297546	-335693	\$38,147
2038	10	(18)	-8	\$395,000	-\$1,615,703	-\$1,220,703	-274658	-389099	\$114,441
2039	10	(14)	-4	\$395,000	-\$1,371,563	-\$976,563	-289917	-457764	\$167,847
2040	10	(12)	-2	\$395,000	-\$2,592,266	-\$2,197,266	-335693	-518799	\$183,106
2041	10	(12)	-2	\$395,000	-\$1,615,703	-\$1,220,703	-335693	-549316	\$213,623
2042	10	(12)	-2	\$395,000	-\$1,859,844	-\$1,464,844	-366211	-556946	\$190,735
<b>Total</b>							<b>\$2,899,170</b>	<b>-\$671,385</b>	<b>\$3,570,555</b>
							<b>\$16,724,118</b>	is greater than	<b>\$13,659,191</b>

#### Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

Source: CPA, REMI, NGC Industries



## **Attachment C – Limitation as a Determining Factor**

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

### **Methodology**

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

### **Determination**

The Comptroller **determines** that the limitation on appraised value is a determining factor in the NGC Industries, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- According to the applicant, Robertson County Commissioners Court and numerous media reports, the applicant entered into a tax abatement agreement in July 2015.
- The applicant has numerous facilities throughout North America and is looking to better serve the Texas market primarily by truck with the capability to ship by rail.
- The applicant submitted information indicating that it intends to better serve the Texas market but has alternatives to the Calvert location outside of the state.
- Confidential documents provided by the applicant indicate that should a new Calvert facility be established it would augment and not adversely affect any current Texas operations.
- According to GoogleMaps (including street level photos) the property in question matches the description in the application.

### **Supporting Information**

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

# **Supporting Information**

## **Section 8 of the Application for a Limitation on Appraised Value**

# Application for Appraised Value Limitation on Qualified Property

## SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
  - (1) manufacturing ☒ Yes ☐ No
  - (2) research and development ☐ Yes ☒ No
  - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
  - (5) renewable energy electric generation ☐ Yes ☒ No
  - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
  - (7) nuclear electric power generation ☐ Yes ☒ No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

## SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
 

<input type="checkbox"/> Land has no existing improvements	<input checked="" type="checkbox"/> Land has existing improvements ( <i>complete Section 13</i> )
<input type="checkbox"/> Expansion of existing operation on the land ( <i>complete Section 13</i> )	<input type="checkbox"/> Relocation within Texas

## SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☒ Yes ☐ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☒ Yes ☐ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

**Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.**

# **Supporting Information**

**Attachments provided in Tab 5  
of the Application for a  
Limitation on Appraised Value**

## TAB 5

*Documentation to assist in determining if limitation is a determining factor.*

NGC Industries, LLC and its parent company, New NGC, Inc. doing business as National Gypsum Company, (together, "NGC") have 17 wallboard plants throughout the United States and are seeking to expand their collective footprint in Texas and the Gulf Coast area. Because transportation is a significant expense, a major factor in deciding how best to service any market is the manufacturing facility's proximity both to its customers and to the sources of raw materials needed to make finished product. Based on those criteria, NGC is considering either adding capacity to existing plants or building a greenfield project in an optimized location – in this case Calvert, TX.

NGC currently serves Texas with wallboard plants in Rotan, TX, Westwego, LA and Medicine Lodge, KS that could be expanded to serve growing Texas and Gulf Coast area markets. The optimal plant for expansion is NGC's Westwego, LA plant. In addition to proximity to the relevant markets, the Westwego plant has access to raw materials via both ocean-going ship and river barge. As an existing facility, expansion of Westwego would require relatively minimal site work and minor upgrades to infrastructure, and would allow the use of existing manufacturing equipment. The total projected investment at Westwego would be \$90 million and could be completed in 18 months. If NGC elected to expand its Westwego plant, the state of Louisiana is prepared to offer incentives to support the expansion. NGC is waiting on a formal offer from Louisiana Economic Development. An email from a representative from Louisiana Economic Development is attached outlining the terms of the forthcoming formal offer from the state.

As attractive as an expansion of the Westwego plant could be in the short-term, NGC believes that servicing the Texas and Gulf Coast area markets would be more efficient over the long-term from a modern, high-speed plant located in Calvert, TX. The proposed site in Calvert offers excellent access to the major metropolitan markets in Texas and rail access for interstate shipments, including to the Gulf Coast area. Calvert is also optimally located near raw material sources in Franklin and Rockdale. In the event the new NGC plant is built in Texas, NGC has secured rights to purchase such raw materials from power plants in those communities. NGC is also party to a contract for the purchase of the land at the proposed Calvert site that guarantees NGC the right to purchase the property but also grants NGC the flexibility to terminate the contract without further obligation or penalty, if NGC elects not to move forward with the project.

From an efficiency and logistics perspective, the Calvert site is well-situated. However, the Calvert site is not without challenges. As a rural area, Calvert does not have adequate existing infrastructure for water, power and natural gas. The Calvert property is located within the

Texas Claypan Area, noted for expansive clay soils which would add additional capital to preparation costs for construction of this scope.

No formal permit filings have been made as of the date of this application. Other than agreements pertaining to preliminary design, engineering, and the development of technical studies, no engineering, procurement, or construction contracts have been negotiated or signed to support the proposed project. The agreements pertaining to preliminary design, engineering, and the development of technical studies are necessary for purposes of determining whether the proposed project is technically viable and can be cost competitive in the marketplace. No public announcements of a definitive intent to construct the proposed project have been made – any statements have indicated only that NGC is considering the proposed project.

NGC is currently holding talks with Entergy, the local area electric service provider, about upgrading Entergy's system to provide electric power to the proposed site. Entergy has indicated to NGC that it will file an application with the Texas Public Utility Commission (PUC) in the near future to initiate the process to secure PUC approval to provide service to the proposed site.

NGC prefers to service the growing Texas and Gulf Coast area markets through a strategy that maximizes efficiency and reduces transportation costs to enable NGC to compete over the long-term. This strategy requires significant up-front investment and will require a longer period of time to recover these initial costs. Therefore, it is critical to the feasibility of the project that some initial costs be offset. Receiving the Appraised Value Limitation from the Calvert Independent School District is a vital component to the long-term success of the project by helping NGC's reduce its startup costs, which in turn helps ensure the company's long-term ability to compete in these targeted markets.

Email from Louisiana Economic  
Development Detailing Terms of  
Forthcoming Offer Letter

---

**From:** Charlie Romaine [mailto:Charlie.Romaine@LA.GOV]  
**Sent:** Friday, May 15, 2015 9:14 AM  
**To:** Mortimer, Mundise  
**Subject:** RE: Follow up on Project Description

Hello Mundise I hope this email finds you doing well. The following link will allow you to review the LED incentives that your project could qualify for: <http://www.opportunitylouisiana.com/index/incentives>  
If and when it is decided that the project will happen I will assist you with the necessary steps need occur before making purchases or hiring employees. The project will qualify for the quality jobs program as a gypsum product manufacturer at the site which entitles you to a 5-6% payroll rebate. Also the Industrial tax exemption which will exclude the capital expenditure of the project for 10 years. The below is a summary total for 10 years. Attached is a yearly breakdown as well. I will have a letter signed from our new Secretary Steven Grissom for you next week as well. He took over this past Monday. Please call my cell with any questions. I would be happy to explain the estimate to you.

Louisiana Proposal Estimate (10 year) based on \$90 million investment as indicated with a 2 year hire ramp up of 27 new jobs

Quality Jobs payroll rebate	\$ 736,747
ITC portion	\$ 638,635
Industrial Tax Exemption	<u>\$12,751,027</u>
Total 10 year	<b>\$14,126,399</b>

**Charlie Romaine**

Assistant Director  
Business Expansion & Retention Group  
Louisiana Economic Development

Office 225.342.5444  
Cell 504.236.4664  
Fax 225.342.5349

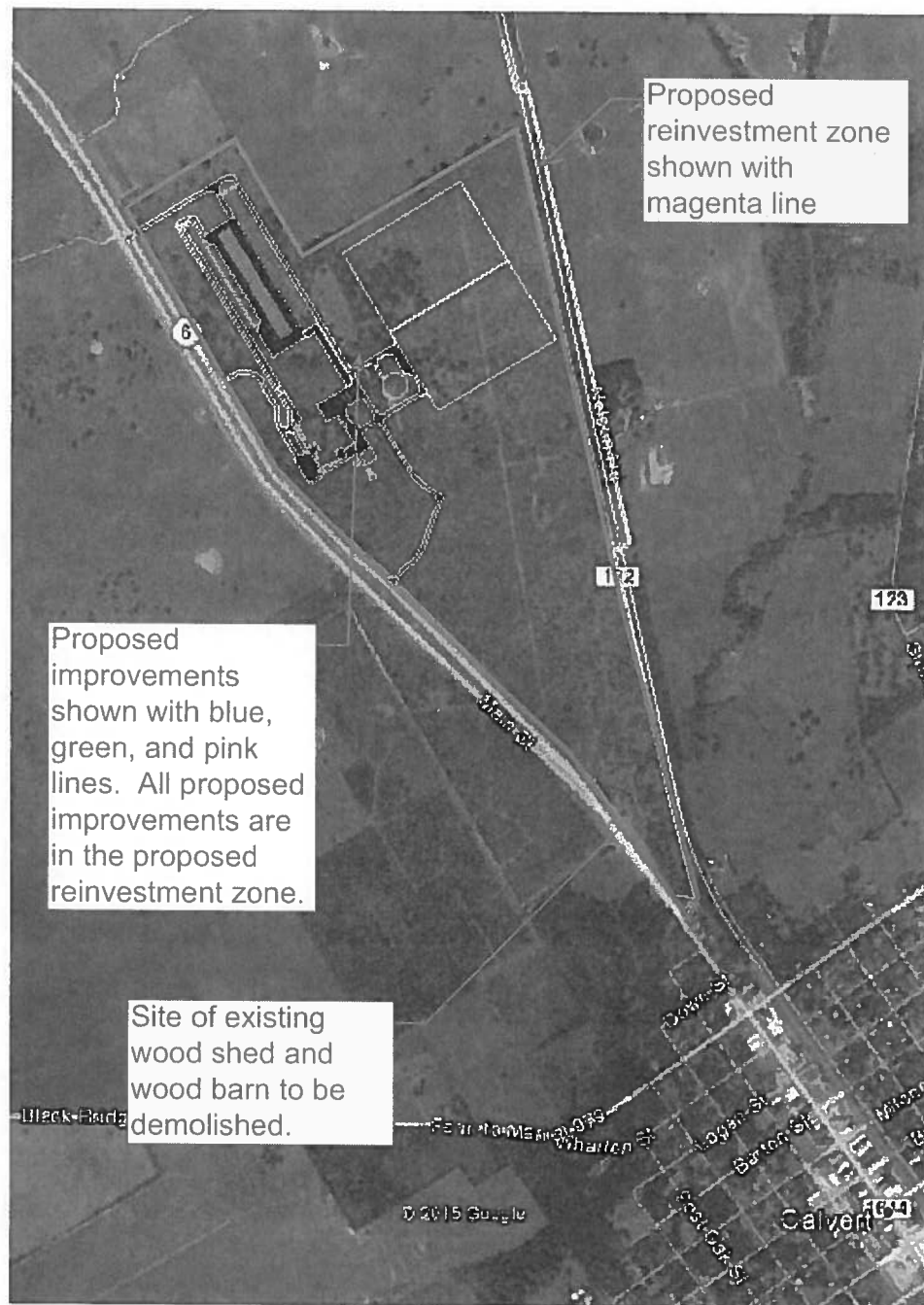
[www.opportunitylouisiana.com](http://www.opportunitylouisiana.com)

# **Supporting Information**

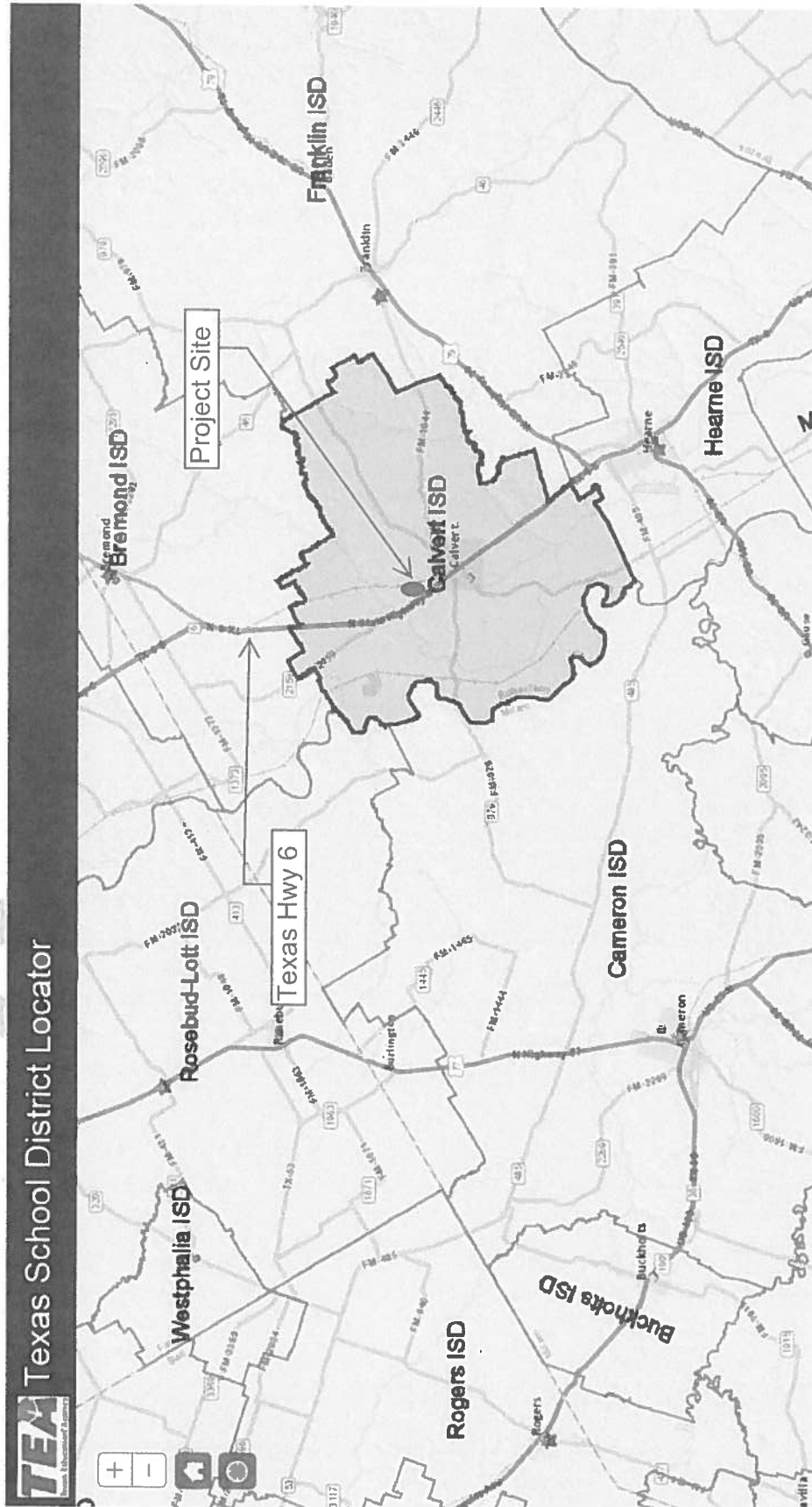
Additional information  
provided by the Applicant or  
located by the Comptroller



Proposed Reinvestment  
Zone with Proposed  
Improvement Layout

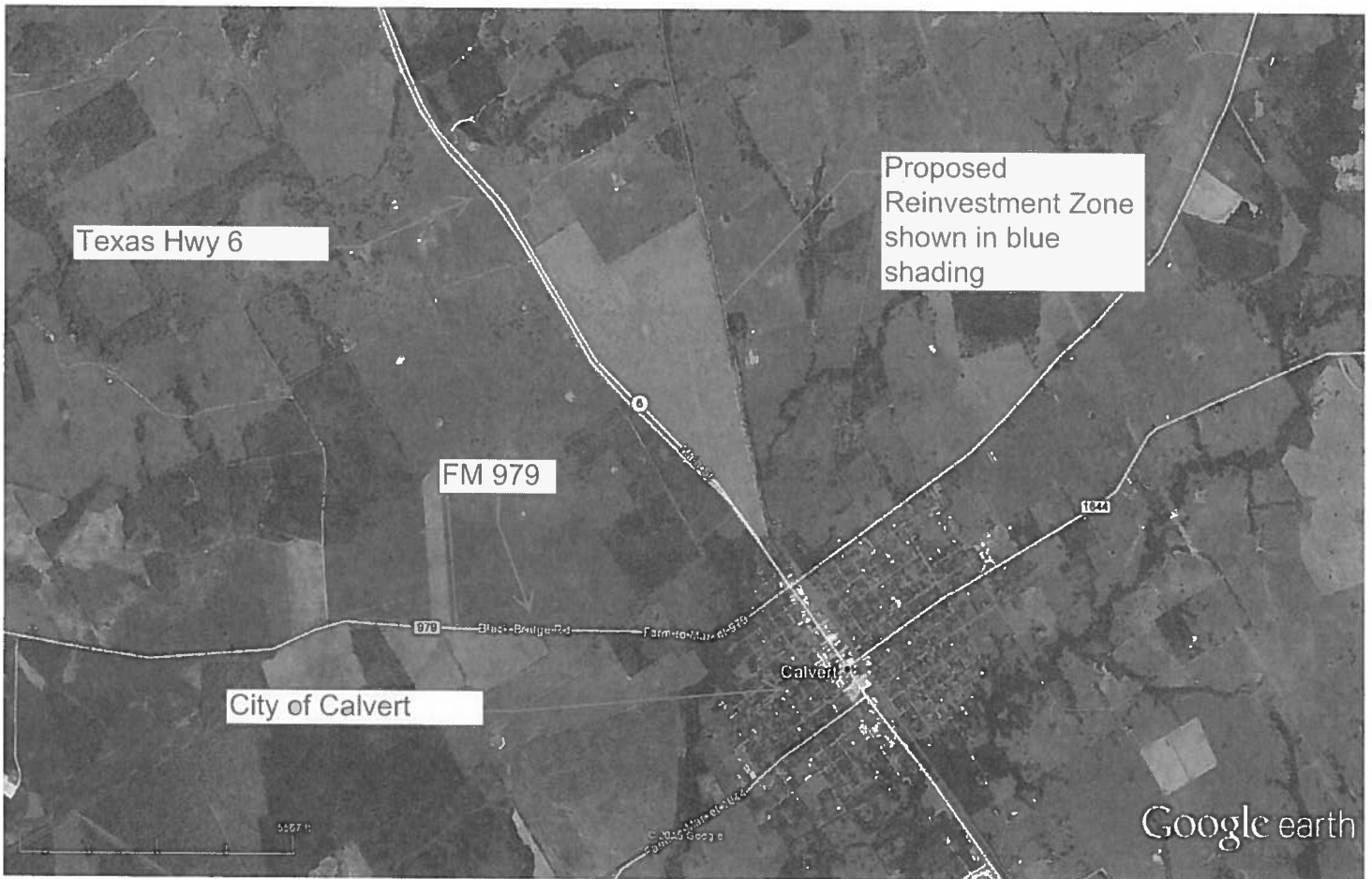


Calvert ISD Map Showing Project Location



Vicinity Map Showing Proposed  
Reinvestment Zone

NGC Industries, LLC  
Application to Calvert ISD



STATE OF TEXAS  
COUNTY OF ROBERTSON

IN COMMISSIONERS' COURT  
Regular Meeting July 13<sup>th</sup>, 2015

A Regular Meeting of the Commissioners' Court of Robertson County, Texas was held on the 13<sup>th</sup> day of July at 2:00 P.M. in the Robertson County Historic Courthouse, County Courtroom, 3<sup>rd</sup> Floor, Franklin, Texas.  
The following members were present:

Charles Ellison, County Judge  
Keith Pettit, Commissioner Precinct #1  
Donald Threadgill, Commissioner Precinct #2  
Keith Nickelson, Commissioner Precinct #3  
Robert Bielamowicz, Commissioner Precinct #4  
Kathryn N. Brimhall, County Clerk  
Candace Anderson, County Auditor

Notices of the meeting were duly posted.  
Judge Ellison opened Court at 2:00 P.M. and the following proceedings were had, to-wit:

(1) Prayer – Tony Harper

(2) Verification of Quorum by County Judge and Pledge of Allegiance

(3) Kathryn N. Brimhall, County Clerk

A. Discuss and take action to approve the minutes from the June 22<sup>nd</sup> regular meeting

Motion was made by Commissioner Bielamowicz to approve and place of record the minutes from June 22<sup>nd</sup> regular meeting, seconded by Commissioner Nickelson and motion carried unanimously.

B. Discuss and take action to approve Monthly Report for June 2015

Motion was made by Commissioner Nickelson to approve and place of record the Monthly Report for June 2015 in the amount of \$26,905.85, seconded by Commissioner Bielamowicz and motion carried unanimously.

C. Approve bonds and oaths

Motion was made by Commissioner Threadgill to approve and place of record the continuation certificate for Joe Davis, seconded by Commissioner Bielamowicz and motion carried unanimously.

(4) Trudy Hancock, Election Administrator – Ray Rodriguez

A. Discuss and take action to set polling locations for November 2015 election

Motion was made by Commissioner Pettit to approve the polling locations as presented for the November 2015 election (see attached list), seconded by Commissioner Threadgill and motion carried unanimously.

B. Discuss and take action to set hours for November 2015 election

Motion was made by Commissioner Threadgill to approve setting the hours for the November 2015 election as follows: October 19<sup>th</sup> – October 24<sup>th</sup> from 8:00 am to 5:00 pm; October 26<sup>th</sup>-30<sup>th</sup> from 8:00 am – 5:00 pm at the Robertson County Election Center, seconded by Commissioner Bielamowicz and motion carried unanimously.

C. Discuss and take action to appoint Judges and Alternates for November 2015 election

Motion was made by Commissioner Bielamowicz to approve the appointment for Judges and Alternates (see attached list) for the November 2015 election, seconded by Commissioner Nickelson and motion carried unanimously.

D. Discuss and take action to approve upgrade/purchase of Poll books with funds from contracting services

Motion was made by Commissioner Bielamowicz to approve the upgrade/purchase of Poll books with funds from contracting services, seconded by Commissioner Pettit and motion carried unanimously.

E. Discuss and take action on election related matters

None.

(5) Barbara Axtell, District Clerk

A. Discuss and take action to approve District Clerk's Office collections for June 2015

Motion was made by Commissioner Threadgill to approve the District Clerk's Office collections for June 2015 in the amount of \$10,515.00, seconded by Commissioner Nickelson and motion carried unanimously.

(6) Carol Bielamowicz, Tax Assessor/Collector

A. Discuss and take action to approve Report of Collections for June 2015

Motion was made by Commissioner Nickelson to approve the Report of Collections for June 2015 in the amount of \$256,097.63, seconded by Commissioner Pettit and motion carried unanimously.

(7) Fredrick Webber, Justice of the Peace, Pct. 4

A. Discuss and take action to approve purchases of a computer for JP #4 office

Motion was made by Commissioner Nickelson to approve the purchase of a computer for the JP #4 office in the amount of \$1,155.00, seconded by Commissioner Bielamowicz and motion carried unanimously.

XX 696

**(8) Gerald Yezak, Sheriff**

- A. Discuss and take action to adopt a Resolution for the submission of a grant application for the Records Management Enhancement Project

Motion was made by Commissioner Pettitt to adopt the Resolution for the submission of a grant application for the Records Management Enhancement Project and authorize the Judge to sign, seconded by Commissioner Nickelson and motion carried. Commissioner Threadgill opposed.

**(9) Donald Kelm, District 8 Extension Administrator**

- A. Presentation and updates on the Texas AgriLife Extension Program

Presentation was made.

**(10) Charles Ellison, County Judge**

- A. Presentation regarding budget related matters

Discussion.

- B. Presentation regarding speed limit changes on Farm to Market Roads

Discussion.

- C. Discuss and take action to approve and adopt guidelines and criteria for tax abatement in Robertson County

Motion was made by Commissioner Pettitt to approve and adopt guidelines & criteria for tax abatement in Robertson County, seconded by Commissioner Threadgill and motion carried unanimously.

- D. Discuss and take action on request of the National Gypsum Company to create a Reinvestment Zone associated with the construction of a new plant in Robertson County

Motion was made by Commissioner Threadgill to approve the request by National Gypsum Company to create a Reinvestment Zone associated with the construction of a new plant in Robertson County, seconded by Commissioner Pettitt and motion carried unanimously.

- E. Discuss and take action on approving and signing a Resolution to create and appoint members to an Industrial Development Committee

Motion was made by Commissioner Pettitt to approve Resolution and appoint Carty Hicks, Marcus Greaves, Keith Pettitt, Molly Hedrick, Jan Roe, Charles Ellison, James Green (Ricky Swick if Mr. Green is unable to serve) to the Industrial Development Committee, seconded by Commissioner Nickelson and motion carried unanimously.

- F. Discuss and take action on request made by Texas Department of Transportation to upgrade existing Grade Crossing Warning Devices on Embra Rd near New Baden

Motion was made by Commissioner Threadgill to approve the request made by Texas Department of Transportation to upgrade existing Grade Crossing Warning Devices on Embra Rd near New Baden, pending approval by Legal, and authorize the Judge to sign, seconded by Commissioner Pettitt and motion carried unanimously.

- G. Discuss and take action on Construction related matters

Discussion. Election Center.

- H. Discuss and take action on County Burn Ban

No Action Taken.

**(11) Candy Anderson, County Auditor**

- A. Discuss and take action on approving budget adjustments and/or amendments, credit applications and/or lease purchase agreements, and/or cell phone allowance agreements

Motion was made by Commissioner Pettitt to approve the budget adjustment for the Constable Pet#4 (see attached adjustment), seconded by Commissioner Bielamowicz and motion carried unanimously.

Motion was made by Commissioner Threadgill to approve the budget adjustment for Constable Pet#3 (see attached adjustment), seconded by Commissioner Nickelson and motion carried unanimously.

Motion was made by Commissioner Bielamowicz to approve the budget adjustment for the Jail (see attached adjustment), seconded by Commissioner Nickelson and motion carried unanimously.

Motion was made by Commissioner Threadgill to approve the budget adjustment for Emergency Management (see attached adjustment), seconded by Commissioner Pettitt and motion carried unanimously.

Motion was made by Commissioner Nickelson to approve the budget adjustment for the Agriculture Agent (see attached adjustment), seconded by Commissioner Bielamowicz and motion carried unanimously.

- B. Settlement of Accounts: Discussion, consideration and possible action to settle and pay all accounts against the county as per Texas Local Government Code Section 115.021

Motion was made by Commissioner Threadgill to approve payment of the invoice in the amount of \$1,574.40 to the Robertson County Soil and Water Conservation District #451, seconded by Commissioner Bielamowicz and motion carried unanimously.

Motion was made by Commissioner Threadgill to approve invoice from Bryan & Bryan Asphalt (CERTZ grant) in the amount of \$15,445.20, seconded by Commissioner Nickelson and motion carried unanimously.

Motion was made by Commissioner Threadgill to approve accounts payable in the amount of \$319,721.29, seconded by Commissioner Bickelmowicz and motion carried unanimously.

- C. Discuss and take action on approval to bid dental and life insurance for County Employees

Motion was made by Commissioner Pettit to approve to bid for dental and life insurance for County Employees, seconded by Commissioner Threadgill and motion carried unanimously.

- D. Discuss and take action to approve Open Enrollment period for County Employees

Motion was made by Commissioner Threadgill to approve for the Auditor's Office to schedule the Open Enrollment for County Employees, seconded by Commissioner Nickelson and motion carried unanimously.

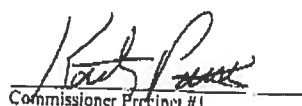
- E. Discuss and take action on renewal for Health Insurance Table.

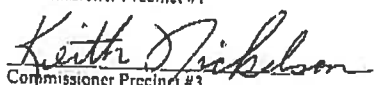
(12) Adjourn

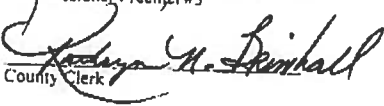
There being no other business, Motion was made by Commissioner Threadgill to adjourn, seconded by Commissioner Pettit and motion carried unanimously.

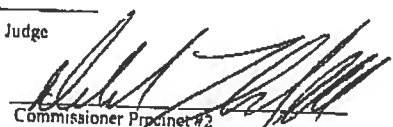


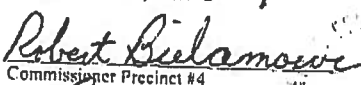
Robertson County Judge

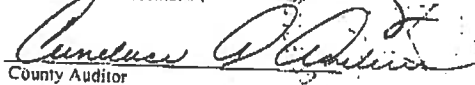
  
Commissioner Precinct #1

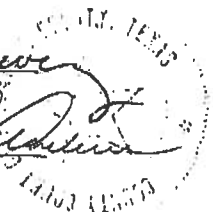
  
Commissioner Precinct #3

  
County Clerk

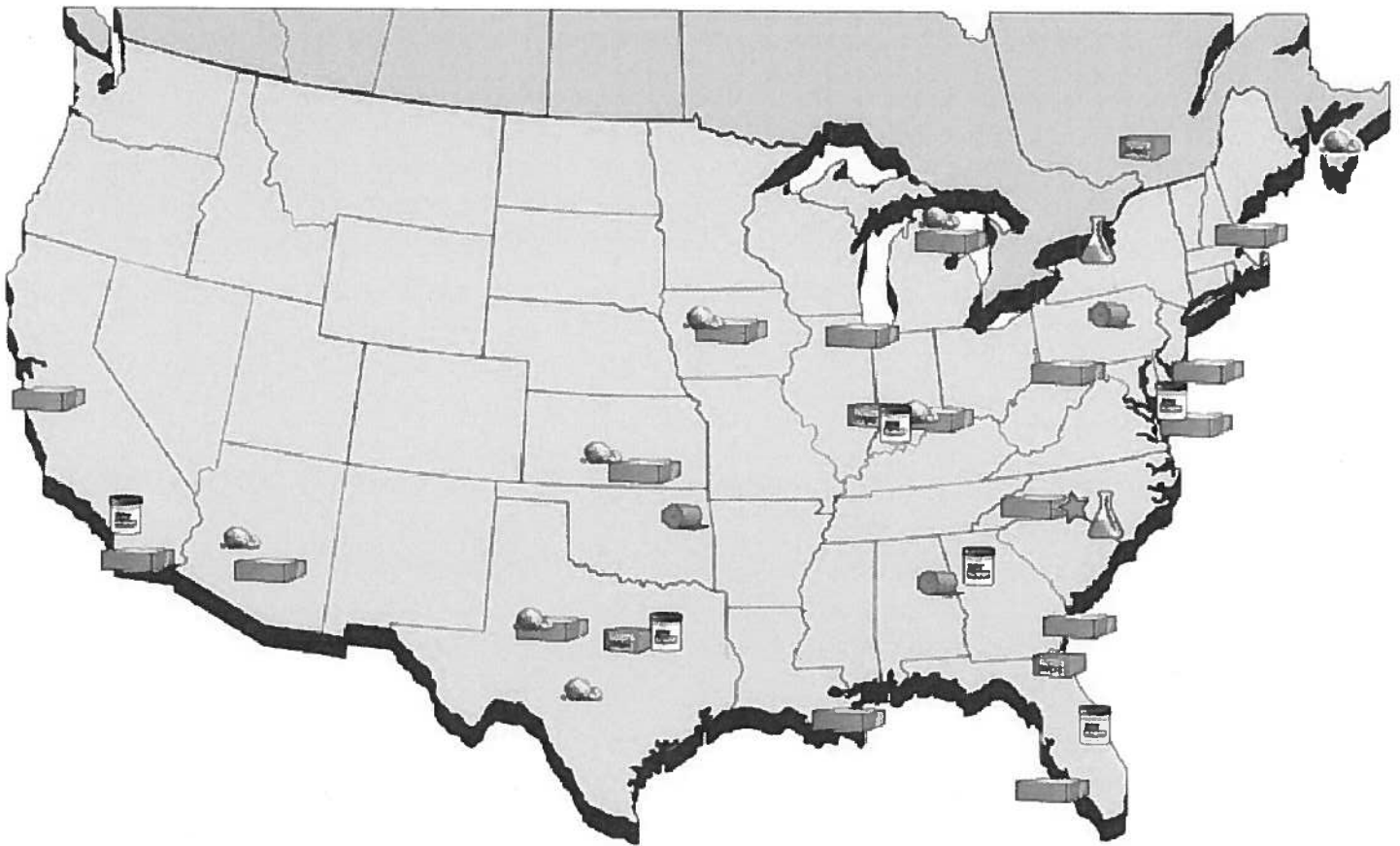
  
Commissioner Precinct #2







  
Commissioner Precinct #4

  
County Auditor



07-27-15



<input checked="" type="checkbox"/>		Wallboard Plants	<input checked="" type="checkbox"/>		Interior Finishing Plants	<input checked="" type="checkbox"/>		Cement Board Plants
<input checked="" type="checkbox"/>		Paper Plants	<input checked="" type="checkbox"/>		Gypsum Mines and Quarries	<input checked="" type="checkbox"/>		Research Centers

Check box to view ; Place cursor over location for details



Google Maps

400 TX-6

NGC Calvert - Looking East (structure)

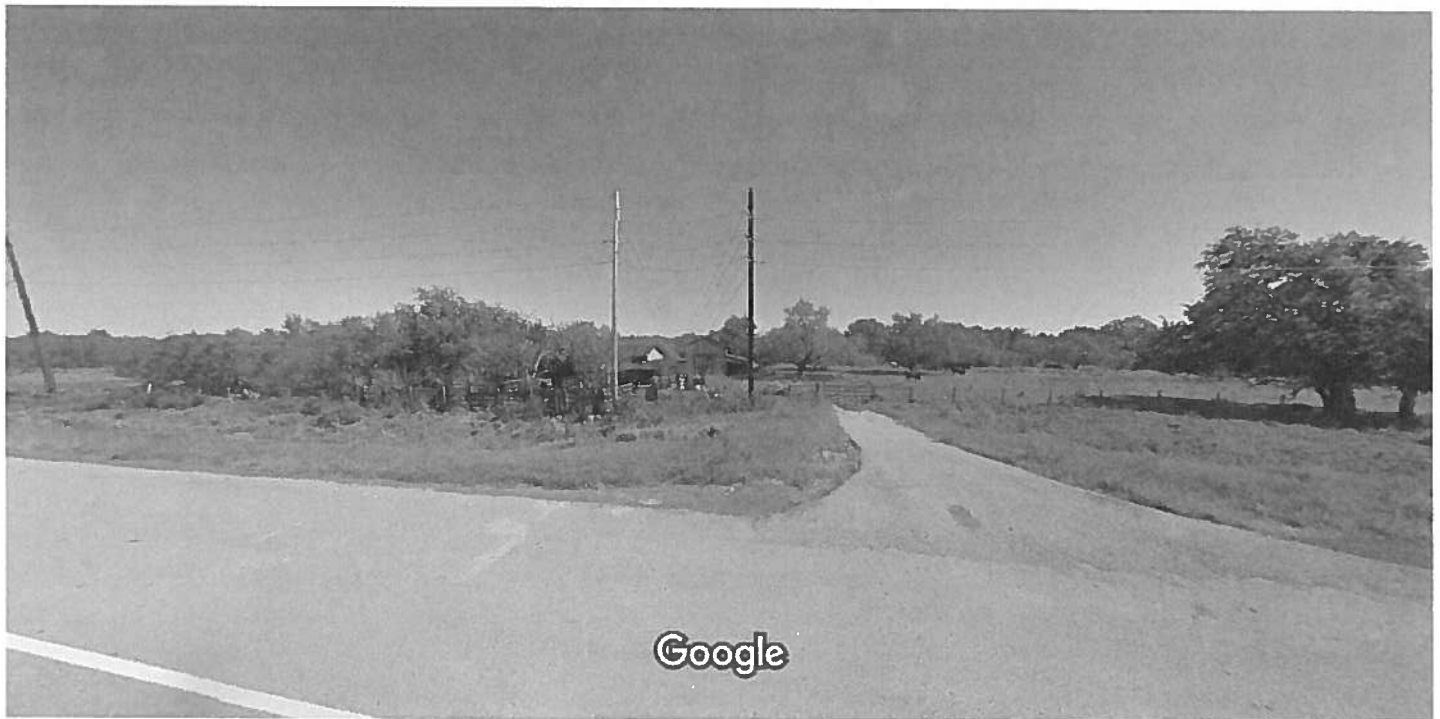


Image capture: Oct 2013 © 2015 Google

Calvert, Texas

Street View - Oct 2013



Google Maps

TX-6

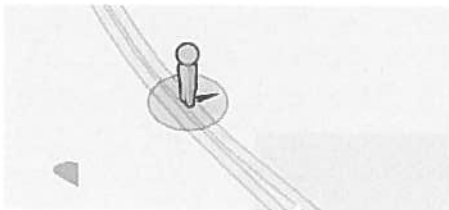
NGC-Calvert - west side facing south



Image capture: Oct 2013 © 2015 Google

Calvert, Texas

Street View - Oct 2013





[Products](#) | [Resources](#) | [SDS](#) | [Specs](#) | [Submittals](#) | [Sales Terms](#) | [LEED - GPS](#) | [Continuing Education](#) | [Sustainability](#) | [About Us](#) | [News](#) | [Careers](#)

## About Us

### Quick Facts

### CA Supply Chains Act

### Company Profile

- [NGC History](#)
- [Gypsum Rock](#)
- [Wallboard Production](#)
- [Product Lines](#)
- [Plant Locations](#)
- [Vision & Values](#)

## Plant Locations



Mt. Holly Wallboard Plant, Mt. Holly, NC

The company has 17 operative gypsum board plant locations located in strategic markets nationwide to offer customers quick delivery. Some of the newest, such as the Apollo Beach, FL, Shippingport, PA, Westwego, LA and Mt. Holly, NC facilities, use solid waste byproduct gypsum from nearby power plants to produce wallboard.

NGC operates the largest gypsum quarry in the world, located outside Halifax, Nova Scotia, and seven other mines and quarries.

One of the top recycled paper users in the United States, National Gypsum operates three paper mills that use 100 percent waste paper to produce facing paper for its wallboard products.

Interior finishing products, including joint treatment compounds, tape and dry powders, are produced in five stand alone plants and in combination with one board plant. The company also manufactures cement board in three locations in the United States and one in Canada.

*For an interactive map showing all of the National Gypsum locations, please click the map illustration at right.*

### Cement Board plant locations:

Bromont, Quebec  
Clinton, IN  
Cleburne, TX  
Jacksonville, FL

### Paper

### plant locations:

Oxford, AL  
Pryor, OK  
West Milton, PA

### Interior Finishing plant locations:

Atlanta, GA  
Belcamp, MD  
Dallas, TX  
Jasper, IN  
Long Beach, CA  
Orlando, FL

### Gypsum board plant locations:

Apollo Beach, FL  
Baltimore, MD  
Burlington, NJ  
Fort Dodge, IA  
Long Beach, CA  
Medicine Lodge, KS  
Mt. Holly, NC  
National City, MI  
Phoenix, AZ  
Portsmouth, NH  
Richmond, CA  
Rotan, TX  
Savannah, GA  
Shippingport, PA  
Shoals, IN  
Waukegan, IL  
Westwego, LA

